


Telephone Fraud

Slamming, **cramming** and **modem hijacking** are types of telephone fraud that have occurred in Indiana and have been the subject of state-level investigations under Indiana law.

The Indiana Office of Utility Consumer Counselor (OUCC) strongly recommends that all consumers review the OpenLines Slamming & Cramming fact sheet. If you use the Internet with a dial-up connection, you should also review the OpenLines Modem Hijacking fact sheet and know the appropriate prevention steps.

The purpose of this fact sheet is to briefly summarize some additional types of telephone fraud that have occurred in the United States. Telephone fraud can happen to anyone, including residential consumers and businesses. The most important prevention step, in general, is to understand your telephone bills and read them carefully every month. The OUCC's Understanding Your Phone Bill fact sheet describes many of the line items that appear on typical landline bills.



All OpenLines publications are available at no charge, either by visiting the OUCC's Website or by calling the agency's consumer services staff toll-free at 1-888-441-2494.

Splashing can occur if you make calls from public phones (including payphones and hotel phones). It typically happens when a call is unknowingly transferred to a distant call center (either within North America or offshore) before being connected to your long distance provider. If your call is “splashed,” you may be billed as if you had made the call from the distant location – resulting in higher long distance rates than you expected.

(A carrier may be allowed to base charges on a point other than a caller's actual location if the caller is so informed and agrees to the transfer – or if the caller specifically asks to have the call transferred to another carrier.)

To prevent call splashing:

- Listen closely to the telephone operator and/or any recorded prompts.
- Don't agree to any call transfers unless you clearly understand the operator. Ask questions if you need to.
- Read your phone bills very carefully and make sure your long distance calls are properly listed.

- If you believe call splashing has happened, contact your long distance provider. If you are not satisfied with the resolution, contact the Federal Communications Commission toll-free at 1-888-225-5322 or www.fcc.gov/cgb/complaints.html.

Collect Call Fraud can potentially happen whether you are making or receiving the call.

If you make collect calls using automatic services (such as “1-800-CALL-ATT” or “1-800-COLLECT”), be sure to dial slowly and carefully so you do not accidentally end up calling a similar number that still places the call, but does so through a different provider and at higher charges than you expected. It is important to listen carefully when placing the call so you know exactly which provider is being used. Federal regulations also require collect call providers to offer instructions on determining how much your call will cost.



If you are on the receiving end of a collect call, listen closely for the service provider to be identified before you are asked to accept the charges. If you are not familiar and comfortable with the name of the provider, you do not have to accept the call. As always, review phone bills carefully to make sure you are paying what you expect and are using the service providers you have intended to use.

Voice Mail Fraud most commonly affects businesses but can also be a problem for residential consumers. Under the most common scenario, a hacker may call into your voice mail system, successfully connect using a common or default password, and then change the mailbox's greeting to “yes, I accept these charges.” The hacker may then use the victim's connection to make expensive international calls.

To prevent voice mail fraud:

- Change your voice mail password frequently.
- Don't use an obvious password (such as a phone number, house number, birth date) or one that's easy to guess (such as “1234”), and don't use the default password your vendor provides.
- Update your greeting regularly.
- Consider blocking international and “900” calls if you won't be calling those numbers anyway.

Cell Phone Subscriber Fraud occurs when an identity thief sets up cellular service in another person's name or uses a fake name. To reduce the risk, be sure to protect all of your personal information just as you would to prevent any other type of identity theft. Resolving identity theft can be a very lengthy and difficult process. For more information on identity theft protection, visit the Federal Trade Commission's Website at www.consumer.gov/idtheft.

Cell Phone Cloning Fraud happens when someone illegally monitors another person's cell phone transmissions, and then reprograms his or her phone to match the victim's telephone number and electronic serial number. The perpetrator then uses the "cloned" phone to make calls that are billed to the victim. To protect yourself from cloning, regularly review your wireless phone bill carefully and make sure you are not charged for any calls you did not make. The wireless telephone industry continues to take steps to curtail cloning; but if you believe you've been affected, contact your wireless service provider.



For more information:

With telecommunications technology rapidly evolving, it is important to be aware of potential scams and the need to protect yourself. It is also important to remember that cellular/wireless phone service, Internet service providers and most emerging technologies operate under minimal regulation; federal agencies retain primary jurisdiction over the regulated aspects of many telecommunications services.

In addition to following news media coverage on telecommunications and utility issues, consumers are encouraged to visit the following Websites regularly:

Indiana Office of Utility Consumer Counselor: www.in.gov/oucc

Indiana Utility Regulatory Commission: www.in.gov/iurc

Federal Communications Commission: www.fcc.gov/cgb

Federal Trade Commission: www.ftc.gov

The Indiana Office of Utility Consumer Counselor (OUCC) is the state agency representing the interests of utility consumers and the general public in matters related to the provision of utility services. The OUCC is active in proceedings before regulatory and legal bodies and is committed to giving consumers a voice in the creation of utility service policy.

OpenLines publications are produced by the OUCC to educate consumers on their rights and responsibilities regarding utility services. Fact sheets on many telecommunications and other utility topics are available free of charge. All OpenLines publications are available on the OUCC Web site or by calling the OUCC Consumer Services Staff.

This OpenLines publication is a public service of the Indiana Office of Utility Consumer Counselor (OUCC) in conjunction with the Indiana Utility Regulatory Commission (IURC), AT&T Indiana and Verizon.



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